



Testimony before the California Energy Commission

SB5X Workshop

November 18, 2002

Good afternoon. My name is Kozell Boren. I am the Chairman & CEO of Signtronix. We are a 44 year old sign company located in Torrance, California. We employ over 300 people.

I was moved to offer testimony today because for the past several years I have championed the causes of small "Mom and Pop" businesses. They are our company's primary customers.

According to the United States Small Business Administration, small businesses create 75% of the new jobs across America. Small business is the incubator for the future large businesses of California. For those of us who may remember, McDonald's was once a single Mom and Pop business in Southern California. Today they have over 26,000 locations.

I understand and appreciate the need and motivation to conserve energy. We applaud the Commission's effort. Our company is a large user of electricity, and we, too, have responded to the energy crisis. We have modified the hours that we operate our equipment that requires larger amounts of energy so as not to use it during hours of peak demand. We have reduced the number of light fixtures to illuminate the inside of our 70,000 square foot facility.

Our company, Signtronix, has invested hundreds of thousands of dollars to better understand the functionality of signage, and specifically as it applies to small retail businesses. We are a company of innovators. We are constantly in search for methods to reduce the cost and increase the functionality of our products. The beneficiaries of our efforts are the small businesses of California and the U.S.

Every city in California has areas where they set aside commercial zones for businesses to supply the community with goods and services. We conclude from this fact that cities want the businesses that invest in these commercial areas to succeed, which can be particularly challenging for the Mom and Pop businesses. In the past 25 years it has become increasingly more difficult for the Mom and Pop business to get started. They must compete with the deep pockets of "big box" stores, like Wal-Mart, K-Mart, Home Depot, and hundreds of other national and international companies. Despite these difficulties, small business remains one of the greatest expressions of freedom and of free enterprise that we have.

Functional signage is vital to the success of small retail businesses. Signs index the business community in every city. Signs are the commercial speech of the street. The U.S. Small Business Administration says that signs are the least expensive yet most cost effective form of advertising for small business. I can add that in most cases it is the **only** form of advertising Mom and Pop businesses can afford.

In our quest to better understand how to improve the chance for success for small businesses, we sponsored an ongoing survey. We asked over three hundred businesses that were installing a new sign to ask their new, first time, customers who came into their stores, "How did you learn about us?" **Forty-eight percent of the 5,500 new customers who were asked said they came into the store because of the sign.** I have a copy of this survey that I will leave with the Commission.

Our company has also given signs to small businesses for the purpose of on-going case studies. In exchange for the free sign, the business owner must agree to share with us financial information from their accounting firm. These case studies have shown incredible increases in revenue performance after a proper sign is installed. In one case study, which has been ongoing for five years, the small business has increased revenue from \$260,000 to \$850,000 without an increase in other advertising expenditures.

I know that signs are highly visible and that many of them lack professional design. However, to eliminate these signs would be saying "No" to the entry level small business and saying "No" to freedom of commercial speech. Signs are an indispensable part of a commercial zone if we want that area to succeed.

I know the Commission's challenge - in fact, its mandate – is to preserve energy. But we ask you to face this challenge while also recognizing and addressing the challenges of our retail economy.

Signtronix recently obtained the entire legislative history of Senate Bill 5X from a firm of lawyers in Sacramento called Legislative Intent Services, which has helped us to put the Commission's mandate in perspective.

The purpose of Senate Bill 5X is to conserve energy, especially during peak demand hours. It states that the cost of the remedy cannot exceed the savings.

I have been in the sign business for 44 years. We build \$30 million in signs each year. We use the best, most energy efficient technology available for lighting our customers' commercial messages. I know of no alternative lighting system that will provide **functional** illumination for the small businesses of California to identify their businesses.

Nowhere in the legislative history do concepts such as "light trespass", "light pollution", or "glare" appear in the deliberations of SB5X. I believe the concept of multiple "lighting zones" within the State will create dysfunctional signage and create a new layer of zoning regulations that further burden the small retail businesses. Most

small businesses simply do not have the resources to compete with the deep pockets of large businesses and national franchises.

In addition, the creation of "lighting zones" will create greater dysfunction and burdens upon local governments. The Commission's draft regulations place the enforcement burden upon local authorities without providing any additional funding for enforcement. I say this creates dysfunction because of a recent experience I had dealing with City of in Los Angeles. The City invited us to present ideas where the City could improve the aesthetics of older commercial areas. We learned through that process that in the City of Los Angeles, which covers 425 square miles, there exists at least 340,000 illegal signs. The reason this condition exists is that there are only four full-time and two part-time inspectors charged with enforcing the sign code, and they are simply overwhelmed. Further restrictive regulation will only drive more people toward illegal signage.

I ask you to also keep in mind that signage is not a light fixture. Signs contain lighting systems to illuminate commercial speech. Lighting is the engine that makes signs functional.

It is important for the Commission to consider signs for what they are – commercial speech. As such, signs are afforded special legal status under the First Amendment to the U.S. Constitution. Cases all the way up to the U.S. Supreme Court have affirmed that signs are commercial speech and any attempt to regulate that speech must meet Constitutional legal standards

I am 72 years old and have spent 44 years in the sign industry. The illumination you are proposing is not a functional or economical substitute for the technology currently in use. I am told that our company is the largest purchaser of outdoor ballast in the state of California. We asked our suppliers, Allanson International and Universal Lighting Technology, who both have large technical staffs, to read your draft proposals and advise us as to the functionality and availability of products to meet the criteria. Both companies concluded that the proposals were dysfunctional and that the technology or products do not exist. We will leave copies of their letters for the record.

I think there was a stretch in the interpretation of Senate Bill 5X up to this point.

I believe the focus upon "glare", "light trespass", "light pollution", and "lighting zones" is outside the intent of saving electricity during peak demand. This type of regulation will create a terrible additional burden on the small businesses of California.

I believe the proposed remedy, as presented thus far, is worse to the economy of California than the problem it attempts to fix. Because of this fact, and the additional administrative burdens these regulations would place upon sign users and local governments in the enforcement of the proposed "lighting zones", we ask the Commission to adopt regulations that truly promote energy conservation and to discard the entire notion of creating a new layer of zoning regulation through "lighting zones."

As a young man one of my mentors would occasionally remind me "it is never too late to turn back when you are on a wrong road." I sincerely believe we are on a wrong road.

Thank you for this workshop and for the opportunity to present my thoughts and feelings.

Sincerely,

A handwritten signature in black ink, appearing to read "Kozell T. Boren". The signature is fluid and cursive, with the first name "Kozell" being more prominent and stylized than the last name "Boren".

Kozell T. Boren
Chairman & CEO

Results of Traffic Survey - Signtronix (1997 - October 2002)

Sign	Word Of Mouth	Newspaper	Yellow Pages	Radio	TV Ad
223	143	26	29	7	5
177	153	29	25	7	6
174	154	27	32	11	8
180	148	37	26	4	4
191	142	28	24	5	5
190	129	29	22	6	7
181	130	42	23	8	5
189	135	22	25	4	3
187	138	21	26	7	2
176	135	27	24	5	5
174	138	24	26	6	6
186	132	25	16	8	4
187	125	24	24	12	4
186	124	25	14	8	6
205	111	31	19	3	4
2806	2037	417	355	101	74

Survey Results Of New Customers When Asked How They Became Aware Of The Business

Their Sign	Word Of Mouth	Newspaper	Yellow Pages	Radio	TV Ad
2806	2037	417	355	101	74
Percentage Of People In Each Category Who Entered Business					
Their Sign	Word Of Mouth	Newspaper	Yellow Pages	Radio	TV Ad
48%	35%	7%	6%	2%	1%

Total Number Of Surveys - 388

Total People Surveyed - 5820



26 CENTURY BOULEVARD, SUITE 500
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(800) BALLAST

FACSIMILE TRANSMISSION

TO

Attn. Wesley Miller
(310) 539-3554

FROM Bill Brosius
615-872-5933

TRANSMISSION TIME Monday, November 11, 2002 10:54:22 AM

NUMBER OF PAGES 03

NOTES

Mr. Miller

Please find our response to this draft

Sincerely,

Bill Brosius &
Eric Bobbit

**FOR CUSTOMER SERVICE, CALL 1-800-262-4272 (OEMS) or 1-800-862-8666
(DISTRIBUTORS)**

FOR TECHNICAL AND WARRANTY QUESTIONS, CALL 1-800-BALLAST

November 8, 2002

Wesley Miller
C/o Signtronix
1445 W. Sepulveda Blvd.
Torrance, CA 90501

Dear Mr. Miller,

Thank you for the information on the CEC draft, 2005 Energy Efficiency Standards for Residential and Nonresidential Buildings, Workshop Draft #2, Nov. 18. We have read the draft and are comfortable with the wording on most parts. We are limiting our comments to ballast issues. Many of the requirements in the draft do not specifically apply to ballasts and would be best addressed by other product manufacturers. However, there are two significant areas of concern.

Controls are a large part of the draft and while we do not currently offer sign ballasts that are dimmable, we do have indoor dimming products. As part of our catalog, we list several dimming control and photo sensor manufacturers on page 3-5. We are sending you a catalog under separate cover, but for your immediate needs, our catalog is available on-line at www.universalballast.com. We also recommend that you contact the major lamp manufacturers for specific information on their products.

The area of most interest to us is section 133. This section is written in such a way that current available technology cannot be used to make "Internally Illuminated Panel Signs." By this proposal, a five foot by eight foot internally illuminated sign, with an area of illuminated surface of 40 square feet would be limited to 80 watts of power in a zone 1 location. This would increase to 320 watts in a zone 4 location, but even this would not allow a 4-8' lamp ballast. The typical ballast in the industry operates at approximately 420W. There is no alternative technology that would allow this sign to be lit with fluorescent lamps with equivalent performance.

It is possible to use an emerging technology to address the requirements of zone 4. Electronic sign ballasts are capable of meeting the zone 4 power requirement but only with substantially reduced light level performance. To make matters worse, as the technology stands today, the electronic alternative is not necessarily suitable for outdoor sign applications. Some examples of the hurdles that would need to be crossed are:

- Use with Energy saving lamps is not rated for cold temperature starting.
- Lamp holders for lamps other than T12 HO may not be rated for sign applications.
- Electronic ballasts are in UL type I cans, not the type II used for sign ballasts.

- The light output of the conventional eight foot, T12 HO lamp used in most plastic sign applications is 8005 mean lumens. Other lamp choices reduce less light, for example an eight foot T12 slimline has mean initial lumens of 5800.

I suspect that some of the standards and limits are being proposed without full knowledge of the products and practices in the industries they touch.

Some additional sources for information that you might consider include the NEMA website, www.nema.org, the three major lamp manufacturers, GE, Sylvania, and Philips, and other ballast manufacturers. Feel free to contact us whenever we can assist on ballasting questions.

Sincerely,

Bill Brosius
Product Director – Magnetic Products